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TO THE CLOUDS, WITH RESERVATIONS

DURHAM, N.C. – The shift toward cloud computing will continue to gain momentum in the coming years, despite concerns about security, integration with existing systems and functionality. Nearly half of U.S. firms are already using cloud computing, while 76 percent say they will rely on cloud computing for IT activities in the next 3-5 years.

These findings come from recent Duke University/CFO Magazine Global Business Outlook Surveys, which polled CFOs about cloud computing in December 2010 and June 2011. The quarterly survey, which asks CFOs from a broad range of global public and private companies about their expectations for the economy, has been conducted for 61 consecutive quarters, making it one of the world's most comprehensive and longest-running surveys of senior finance executives. Complete survey details and data tables are available at <http://www.cfosurvey.org>.

"The practical advantages of cloud computing are winning out over the potential drawbacks of dealing with a still developing technology," said John Graham, professor of finance at Duke's Fuqua School of Business and director of the survey. "Companies appear to be embracing cloud computing as a new IT paradigm."

In December 2010, 47 percent of CFOs in the U.S. said some of their companies' IT activities are already based on cloud computing. The cloud trend is growing rapidly, with 76 percent of CFOs expecting some of their companies' IT activities will be cloud-based in the next 3-5 years. In comparison, only 17 percent believe their firms will not move to cloud computing.

"The name of the game today is reducing costs, and that will continue to be the case for the next several years," said Kate O'Sullivan, deputy editor at CFO Magazine. "Finance chiefs are hungry for innovations that allow them to cut expenses as they continue to navigate the slow-growing economy."

CFOs also identified some risk factors that could slow the movement toward the cloud. In a June 2011 survey, 63 percent of CFOs indicated they have concerns about cloud data security; 10 percent say their top concern is integration with current systems; and 7 percent are concerned about functionality and the performance of applications. Lesser concerns include compliance issues and subscription costs.

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